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District Counsel

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

TULARE LOCAL HEALTHCARE
DISTRICT, dba TULARE
REGIONAL MEDICAL CENTER,

Debtor.

Tax ID #: 94-6002897
Address: 869 N. Cherry St.
Tulare, CA 93274

CASE NO. 17-13797

Chapter 9

DC No.: WW-23

Date: January 25, 2018
Time: 9:30 a.m.
Place: 2500 Tulare Street
Fresno, CA 93721
Courtroom 13
Judge: Honorable René Lastreto II

**MOTION FOR ORDER AUTHORIZING ASSUMPTION OF EXECUTORY
CONTRACT PURSUANT TO STIPULATION
(BETA Risk Management Authority)**

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1 To The Honorable United States Bankruptcy Judge:

2 Tulare Local Healthcare District, dba Tulare Regional Medical Center ("Debtor" or
3 "TRMC") hereby moves this court for an order pursuant to 11 U.S.C. §§ 365 and 901, as
4 complimented by FRBP 6006 to allow assumption of that certain executory contract with
5 BETA Risk Management Authority (hereinafter "BETARMA") for confirmed insurance
6 coverages (the "Agreement") pursuant to the Stipulation for Assumption of Executory
7 Contract entered into by and between TRMC and BETARMA which is filed concurrently
8 herewith.

9
10 The Motion is based upon the Notice of Motion and Motion, the Declaration of
11 Sanford Haskins, the Stipulation for Assumption of Executory Contract, the files,
12 pleadings and orders on file on this Chapter 9 case, and such other and further
13 evidence as made properly come before the court.

14
15 TRMC respectfully requests that this Court enter an order pursuant to 11 U.S.C.
16 §§ 365 and 901 authorizing the Debtor to assume the Agreement pursuant to the
17 Stipulation for Assumption of Executory Contract ("Stipulation") and to perform all
18 obligations thereunder, and seeks such further and additional relief as is just and proper
19 under the circumstances. No prior motion for the relief requested herein as to the
20 subject Agreement has been made to this Court.

21 22 I. BACKGROUND

23 The background history to this Chapter 9 case is well known to the Court given the
24 papers filed in connection with the Debtor's Motion to Reject Executory Contract
25 (Healthcare Conglomerate Associates, LLC) (DC# WW-1) and the Statement of
26 Qualifications and Memorandum of Facts and Law in support thereof filed on October
27 26, 2017 (DC # WW-4).

1 Due to its financial problems and the governance dispute with Healthcare
2 Conglomerate Associates, LLC ("HCCA"), and to head off a threatened shut down of the
3 hospital by HCCA, on September 30, 2017, TRMC filed its Chapter 9 Petition in the
4 United States Bankruptcy Court for the Eastern District of California, Fresno Division.
5

6 II. THE AGREEMENT

7 TRMC is a party to the following executory contracts with BETARMA involving
8 liability coverages: (1) Healthcare Entity Comprehensive Liability Coverage Contract,
9 Contract No. HCL-17-361 (the "HCL Contract"); (2) Auto Liability and Physical
10 Damage Coverage Contract, Contract No. AL-17-361 (the "Auto Liability Contract"); and
11 (3) Directors, Officers and Trustees Liability Coverage Contract, Contract No. D&O-17-
12 361 (the "D&O Liability Contract"). True and correct copies of the HCL Contract, Auto
13 Liability Contract, and D&O Liability Contract (collectively, the "Agreement") are
14 attached to the concurrently filed Stipulation as Exhibits A-C, respectively.
15

16 TRMC has evaluated the Agreement and considered its financial position using
17 its best business judgment and has determined that the HCL Contract, the Auto Liability
18 Contract, and the D&O Liability Contract are essential to TRMC's operations and
19 intended plan of adjustment and that the prices for coverage are acceptable as fair and
20 reasonable under the circumstances. Further, in order to maximize its ability to propose
21 a Plan of Arrangement TRMC believes the Agreement should be assumed.
22

23 Accordingly, TRMC and BETARMA have entered into the Stipulation which provides for
24 assumption of the Agreement.

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26 ///

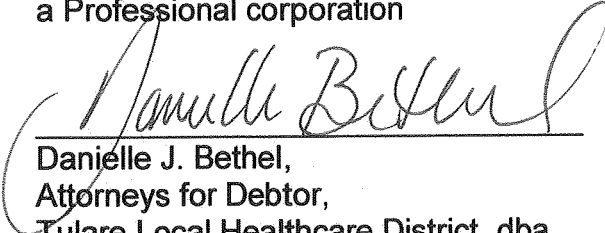
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1 WHEREFORE, TRMC respectfully requests the entry of an order: (i) authorizing
2 assumption of the Agreement as of the date of this Motion; (ii) granting such
3 other and further relief as this Court deems just and proper.

4 Dated: January 5, 2018

5 WALTER WILHELM LAW GROUP
6 a Professional corporation

7 By:

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9 Danielle J. Bethel,
10 Attorneys for Debtor,
11 Tulare Local Healthcare District, dba
12 Tulare Regional Medical Center
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